

TO : Directors, Field Operations

FROM : Executive Director, Trade Programs
Office of Field Operations

SUBJECT: Renewal of the Generalized System of Preferences (GSP)
TC # TP 02-1545

BACKGROUND:

The Trade Act of 2002 ("the Act"), was signed into law by President Bush on August 6, 2002. Title XLI of the Act provides for the extension of the Generalized System of Preferences through December 31, 2006. Accordingly, products entered, or withdrawn from warehouse, for consumption on or after August 6, 2002 are entitled to duty-free treatment, provided they meet the requirements of the GSP. Customs Automated Commercial System (ACS) has been reprogrammed to accept duty-free entry summaries using the Special Program Indicator (SPI) "A," effective 9:00 PM Eastern Daylight Time, August 6, 2002. ABI entries which include the SPI "A" and estimated duty payment after that time will be rejected.

Entries of merchandise that would have qualified for duty-free treatment under Title V of the Trade Act of 1974, had the entry been made on September 30, 2001, that were made after September 30, 2001 and before August 6, 2002 shall be liquidated or reliquidated as free of duty, and Customs shall refund any duty paid with respect to such entry.

ACTION:

1. The amendments made by the Title XLI apply to articles entered, or withdrawn from warehouse, for consumption on or after August 6, 2002.
2. The duty rate of "Free" applicable to merchandise qualifying for GSP, shall be effective August 6, 2002.

3. Customs will begin processing those entries filed via the Automated Broker Interface (ABI) with the SPI "A" while the program was lapsed and refund duties deposited on GSP-eligible goods.

NOTE: Importers who filed their entries via ABI with the SPI "A" should receive their duty refund(s) within 12 weeks of August 6, 2002. Importers are advised to contact the appropriate customs port of entry and inquire about the status of the refund(s) if it is not received within the specified period of time.

4. The following IRS interest rate will be used in calculating interest on refunds of Customs duties:

07/01/01 to 12/31/01	6% Corporate	7% Non-Corporate
01/01/02 to present	5% Corporate	6% Non-Corporate

5. Interest shall be paid on all refunds from the date the duties were deposited.

6. Formal Entry Refunds:

Filers who used the SPI "A" on entry summaries filed via ABI need take no further action at this time. Customs Headquarters will automatically begin processing refunds for entry summaries liquidated, or scheduled to liquidate, as "No Change" on August 6, 2002.

GSP refund for all other entry summaries (e.g. warehouse withdrawals, "Change" liquidations, reliquidations, and suspended entry summaries) will be processed in accordance with normal liquidation procedures.

ABI filers who elected to transmit their entries via ABI without the SPI "A" and non-ABI filers, regardless of their use of the SPI "A", must submit a written request to the Port Director at the port of entry on or before February 2, 2003.

Failure to request a refund in a timely matter will not be grounds to file a protest. A separate letter may be prepared for each entry summary, each importer, or for all entry summaries filed by an individual filer at a single port. To expedite refunds, Customs recommends the following be included in each letter.

- A. A statement that the letter is a request for a refund as provided under the Trade Act of 2002, Section 4101 (b)(2).

- B. The entry numbers and line item for which refunds are being requested; and
- C. The amount to be refunded for each line item, and where multiple entries are involved, the total amount owed for all entry summaries.

7. ABI Informal Entry Refunds:

Refund on informal entries filed via ABI on a Customs Form 7501, utilizing the SPI "A" will be processed in accordance with procedures outlined in 6 above.

8. Baggage Declaration and Non-ABI Informal Refunds:

When merchandise is presented for clearance on a baggage declaration or other document (including non-ABI CF 7501), travelers and importers must make a timely request as described in 6 above for non-ABI filers.

9. Mail Entry Refunds:

Addressees may submit a claim requesting a refund of GSP duties along with a copy of the CF 3419A to the appropriate International Mail Branch (address listed on lower right corner of CF 3419A). It is essential that a copy of the CF 3419A be included, as this will be the only method of identifying the eligible GSP products and ensuring that duties and fees have been paid.

CONTACTS:

For general operational questions:

Formal Entries	Arlene Lugo	(202) 927-4183
Informal Entries	Debbie Scott	(202) 927-1962
Mail Entries	Robert Woods	(202) 927-1236
Passenger Claims	Richard Barr	(202) 927-4712

For specific questions relating to ACS, please contact James Macdonald, Office of Information and Technology, at (202) 927-1027.

Questions from filers concerning ABI transmissions should be directed to their ABI client representatives.

Copies of this memorandum should be made available to Port Directors; Assistant Port Directors, Trade; Import and Entry Specialists; Inspectors; brokers; importers and other interested parties.

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Elizabeth G. Durant

cc: Executive Director, Field Operations
Executive Director, Field Programs